



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held February 13, 2007, the Board took the following action:

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The following item was called up for consideration:

The Chief Administrative Officer's recommendation to approve the following actions relative to the phased development of the mixed-use "Grand Avenue Project":

1. Acting as a responsible agency, certify that the Board of Supervisors has independently reviewed and considered the information contained in the final Environmental Impact Report ("EIR") as prepared and certified by the Grand Avenue Authority ("Authority") as lead agency for the Grand Avenue Project ("Project"), find that the County has reviewed and considered the information contained in the final EIR prior to approving the Project; adopt by reference the findings made by the Authority on the mitigation monitoring program incorporated in the EIR together with the regulatory measures, project design features and other Authority imposed additional conditions of approval relating to construction procedures, and a non-substantive errata sheet; and determine that the significant adverse effects of the project have either been reduced to an acceptable level or are outweighed by the specific benefits of the project, as outlined in the Environmental Findings of Fact and Statement of Overriding Considerations, which findings and statement are incorporated herein by reference; and approve the Project as described and approved by the Lead Agency, including incorporation of the alternative tower design on Parcels L and M-2 as described in Alternative 4 to further reduce the visual impact of the Project;
2. Approve the form and substance of the Disposition and Development Agreement (DDA) between the Authority and the Grand Avenue L.A., LLC, ("GALA" or "Developer", previously "The Related Companies") which delineates the terms and conditions for development and lease by GALA of the Bunker Hill Properties owned by the County of Los Angeles (Parcels Q and W-2) and the City of Los Angeles Community Redevelopment Agency (CRA) (Parcels L and M-2), as part of the Project;

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3. Approve, the execution of a ground lease between the County and CRA ("County-CRA Lease") to transfer a 99-year leasehold interest in the Phase I Parcel (Parcel Q) from the County to the CRA for the purposes of subleasing the property to the Authority, which in turn will sub-sublease the property to the Developer for the purpose of developing the Parcel; and for Phase III (County-owned Parcel W-2), instruct the CAO that subsequent ground lease documentation between the County and CRA be returned to the Board for execution at such time as all applicable conditions and requirements to entering into a ground lease for the transfer of that parcel have been met;
4. Approve the Non-Disturbance and Attornment Agreement ("NDAA") among the County, CRA, Authority, and Developer to confirm each party's interest as sublessee, or sub-sublessee as applicable, and to ensure that the Authority-Developer Ground Lease or Developer/Operator Lease will not be terminated or otherwise disturbed in the event the County-CRA Lease or CRA-Authority Lease is terminated;
5. Approve the Market Value Appraisal prepared by CB Richard Ellis to be used as the basis for determining the percentage shares of net revenues to be distributed by the Authority to the County and CRA pursuant to the rent distribution formula in Section 5.05 of the Grand Avenue Joint Exercise of Powers Authority Agreement ("JPA Agreement");
6. Adopt a Joint Resolution between the County and CRA making certain findings in accordance with Health & Safety Code Sections 33445 and 33421.1, in support of the use of CRA funds for public improvements for the Project;
7. Approve the Grand Avenue Phase I Incentive Rent Agreement by and among the County, City of Los Angeles (City), the CRA and the Authority, in which the County and CRA agree to transfer Phase I Retail and Hotel Incentive Rent to the City until such time as the City has received an amount equal to the amount of the City's transient occupancy tax and parking tax provided to the Developer through a Community Taxing District (CTD) to assist in the development and operation of the Hotel;

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8. Approve the Funding Agreement for Public Space Improvements between the County and CRA for the County to provide \$3 million for on-site public space improvements to be repaid by the CRA from future excess tax increment generated from Parcel Q, and \$1.6 million as payment to satisfy the County's obligation under the 1991 Owner Participation Agreement (1991 OPA) for construction of the Second Street extension; and authorize the Auditor-Controller to establish a Grand Avenue Project Reserve in the amount of \$4.6 million to be funded from monies available in the Capital Projects Designation;
9. Approve an Amendment to the JPA Agreement between the Authority's member agencies, the County and CRA, to permit a change in the percentage share of net revenues distribution formula in the future if portions of the Project are not developed; and to clarify that prior Board of Supervisors approval is required before the Authority can act on certain transfers of County property by the Developer;
10. Approve the Third Implementation Agreement to the Owner Participation Agreement ("TIA-OPA") between the County, CRA and Performing Arts Center of Los Angeles County ("PACLAC") which amends the OPA to allow for residential, retail and hotel uses on County Parcels Q and W-2, consistent with the Project, while preserving the County's tax increment revenue stream;
11. Authorize the Chief Administrative Office ("CAO") to negotiate agreement with the State of California conveying the State's 50% interest in the County's parcel at First and Broadway back to the County and granting the County the right to use a portion of the State's property to complete the Civic Park, in exchange for the County's conveying its 50% interest in the State parcel back to the State;
12. Authorize the CAO to amend the Site Lease and Sublease both dated July 1, 1997 between the Los Angeles County Capital Asset Leasing Corporation and the County of Los Angeles relative to the Tax Exempt Commercial Paper Program ("TECP"), obtain any required legal opinions, and complete other actions necessary to remove Parcel Q from the TECP; and

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13. Delegate to the CAO the authority to execute any agreements approved by the Board, and take all other actions reasonably necessary to effectuate these agreements.

David E. Janssen, Chief Administrative Officer, and John Edmisten, Assistant Administrative Officer and Helen Parker, County Counsel responded to questions from the Board.

Eli Broad, Chairman, Martha Wellborne, Managing Director, Paul Rutter, Grand Avenue Committee; Cal Hollis, Economist for Keyser Marston Associates, Timothy Chung, Deputy City Attorney, Community Redevelopment Agency of the City of Los Angeles, David Riccitiello, Regional Administrator, Community Redevelopment Agency of the City of Los Angeles, Bill Witte, President, Related Companies of California, Christopher Sutton, Attorney for the Bonaventure Hotel, Brady Westwater, President, Downtown Los Angeles Neighbors Council, Carol Schatz, President, Central City Committee, Russell Brown, Chair, Residence Association Downtown Los Angeles, Bob Odie, International Brother of Electrical Workers, Local Union 11, Maria Elena, Executive Director, Los Angeles Federation of Labor, and other interested parties addressed the Board.

After discussion, Supervisor Molina made a motion that the Board adopt the Chief Administrative Officer's recommendations.

Supervisor Antonovich made a suggestion that the foregoing motion be amended to remove from the Chief Administrative Officer's recommendations language limiting the training and employment benefits to specific zip codes. Said motion failed for a lack of a second.

After discussion, on motion of Supervisor Molina, seconded by Supervisor Yaroslavsky, duly carried by the following vote: Ayes: Supervisors Molina, Burke, Knabe and Yaroslavsky; Noes: Supervisor Antonovich, the Chief Administrative Officer's attached recommendations was adopted.

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Attachment

Copies distributed:

Each Supervisor
Chief Administrative Officer
County Counsel